DAY MINING COMPANY
993 WEST 4TH NTH
MOAB,UTAH 84532
TELEPHONE (435) 259-8293
CELL PHONE (435) 260-8119

LETTER OF INTENT

October 25th,2005

RE; Urainium,Vanadium mining claims

Total Acreage: 637.76 + 600 AC. TOTAL 1237.76

Location : Yellow Cat Mining district Grand County Utah.

I am looking forward to working with you on this Mining project. If you need any more information please feel free to call me at the following phone numbers (435) 259-8293 or (435) 269-8119 (Cell.).

Yours Truly

Jack Day

Jack Day

050004

EXHIBIT A

Property #1 Wayne County Utah

T-30 S. R-8 E

Sec. 5,6,7,8,9,16,17,18,19,20,21,22,27,28,29,30,31,32,33,34.

Sec. 31,32 T- 29 S R-8 E

Property # 2 Grand County,Utah.

T-22 S R-21 E.

Sec. 35

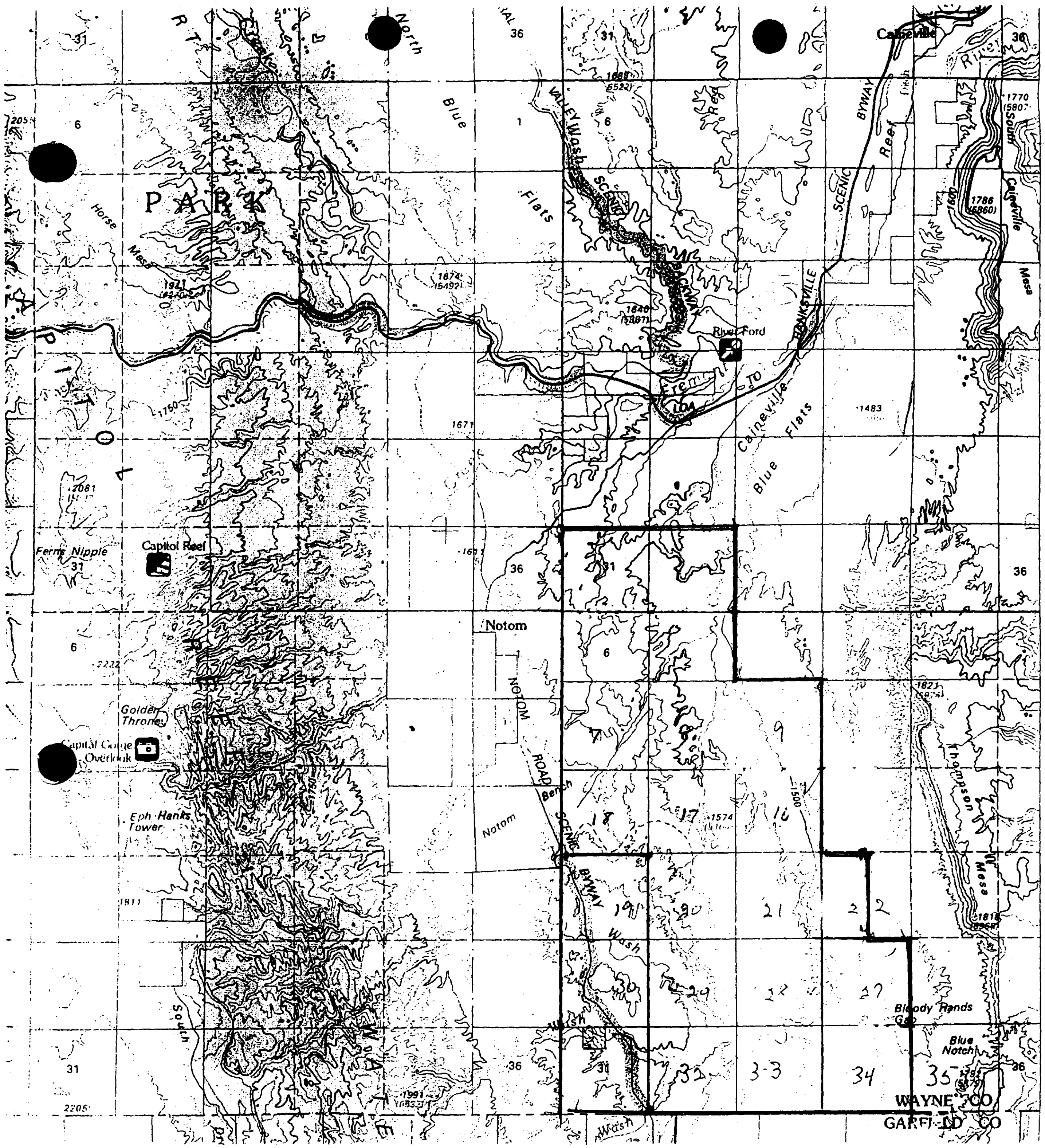
T-23 S. R-23 E. Sec. #1

T-22 SO. R-22 E Sec.26

T-22 So. R- 21 E.Sec. 35

Astimated Acreage 12,000

Estimated reserves 10,000,000 Lbs.



PARK
Horse Mesa
North Blue Flats
Caineville
River Ford
Fremont
TO HANKSVILLE
VALLEY Wash SCENIC BACKWAY
SCENIC BYWAY
Caineville Blue Flats
Caineville Mesa
South
Reef
Ferns Nipple
Capitol Reef
Notom
NOTOM ROAD
Notom Bench
SCENIC BYWAY
Wash
Golden Throne
Capitol Gorge Overlook
Eph Hanks Tower
Thompson Mesa
Bloody Hands Gap
Blue Notch
WAYNE CO
GARFIELD CO
T 29 S
T 30 S
(HANKSVILLE)
600
424
575
423
550

TANK BELT PROCESS

HISTORY

During the so called Uranium boom of the 1950's when the focus for the production of uranium in the United States was in the southern portions of Utah and Colorado, vast amounts of radio active ore was shipped to central locations for processing. The boom was on. Processing mills were built in more than a dozen cities and towns where the radio active tailing stacked up year after year and combined to create the biggest super fund project in history. Hundreds of millions of dollars have been spent in the failed effort to rid the radio active milltown communities of the terrible menace of hundreds of thousands of tons of radio active materials. The water tables in most of the communities has been adversely effected. Radon gas concentrations remain high in West Salt Lake Valley communities twenty years after the Vitro tailings were trucked to and dumped in a salt sink in the western part of the state, at a cost of tens of millions of dollars.

In the late 1960's a California Utility Company financed the research and development of a uranium extraction concept that completely eliminates the need to transport the radio active ore from the immediate locale of origin. With the fresh approach to the problem, the ore is removed from the mine by standard mining methods, is dressed (crushed and milled) at the mine site and processed either at or very near the actual mine site for the extraction of the contained Uranium and Vanadium.

The process completely eliminates the need for repeated materials handling, expensive trucking, road construction and maintenance etc. required to deliver the uranium and vanadium bearing ore to the processing facility. Instead of transporting hundreds of tons per week from a specific mine site, over hundreds of miles of highways, the process affords the unique ability to extract the few pounds of contained metals from each ton of material at the site, transport only the concentrate to the final processing facility and leave the balance, the tailings, often comprised of more than 1950 pounds of the original ton of material, at the mine site.

Deposits that were heretofore not considered commercially economic due to expensive trucking and tolling costs, are now viable resources using this new technology.

A typical high grade uranium bearing ore, the Yellow Cat deposit in Southern Utah for example, has the potential to contain 0.15% Uranium and 3.5% vanadium. Translated into pounds and Dollars per ton of raw ore there are three pounds of uranium and seventy pounds of vanadium per ton of head ore, or, at $10.00 per pound for uranium, the yield is $30.00 per ton. The current value of vanadium is $7.50 per pound, the yield per ton is a whopping $525.00. Mining, milling and

processing costs are estimated at between Twenty ($20.00) and Thirty ($30.00) Dollars per ton. With an eighty percent (80%) recovery rate the net is still well over Four Hundred ($400.) Dollars per ton. Fifty Tons per day of the Yellow Cat ore yields a net of Twenty Two Thousand ($22,000.) per day. One Hundred Tons per day yields Forty Four Thousand ($44,000.) Dollars, and so on.

A typical low grade deposit such as the Notom ore yielding 0.05% uranium and 0.50% vanadium, or $10.00 uranium and $75.00 Vanadium, although considered a low grade deposit, suddenly becomes a viable project. At 80% recovery, the net using the Tank Belt Process is around Forty ($40.00) Dollars per ton. A one hundred ton per day operation could yield Four Thousand ($4,000.) Dollars per day.

The tank belt leaching concept provides the unique ability to accelerate the chemical reaction required to dissolve the contained metals. The actual contact time required to solubolize the contained metals in specific oxide ores is vastly reduced in any of several mineral dressing applications.

HOW THE PROCESS WORKS

Solid material (properly dressed ore) is introduced at one end of the circuit where it is immediately exposed to intense mechanical and high frequency sonic agitation. The chemical reaction generated when the reducing agents come into contact with the ore and the intense physical and sonic agitation of the mix of chemicals and materials, combine to generate heat, which in turn, accelerates the chemical reaction, which in turn shortens the time required to reduce the contained metals into solution.

SINGLE PARTICLE SUSPENSION

The time frame to solubolize most oxide ores such as copper, uranium, vanadium etc. is reduced to a few minutes in the tank belt circuit in comparison with up to one hundred hours of contact time in a standard chemical leaching environment. The agitation process made possible by the tank belt process provides single particle suspension of the ore being treated.

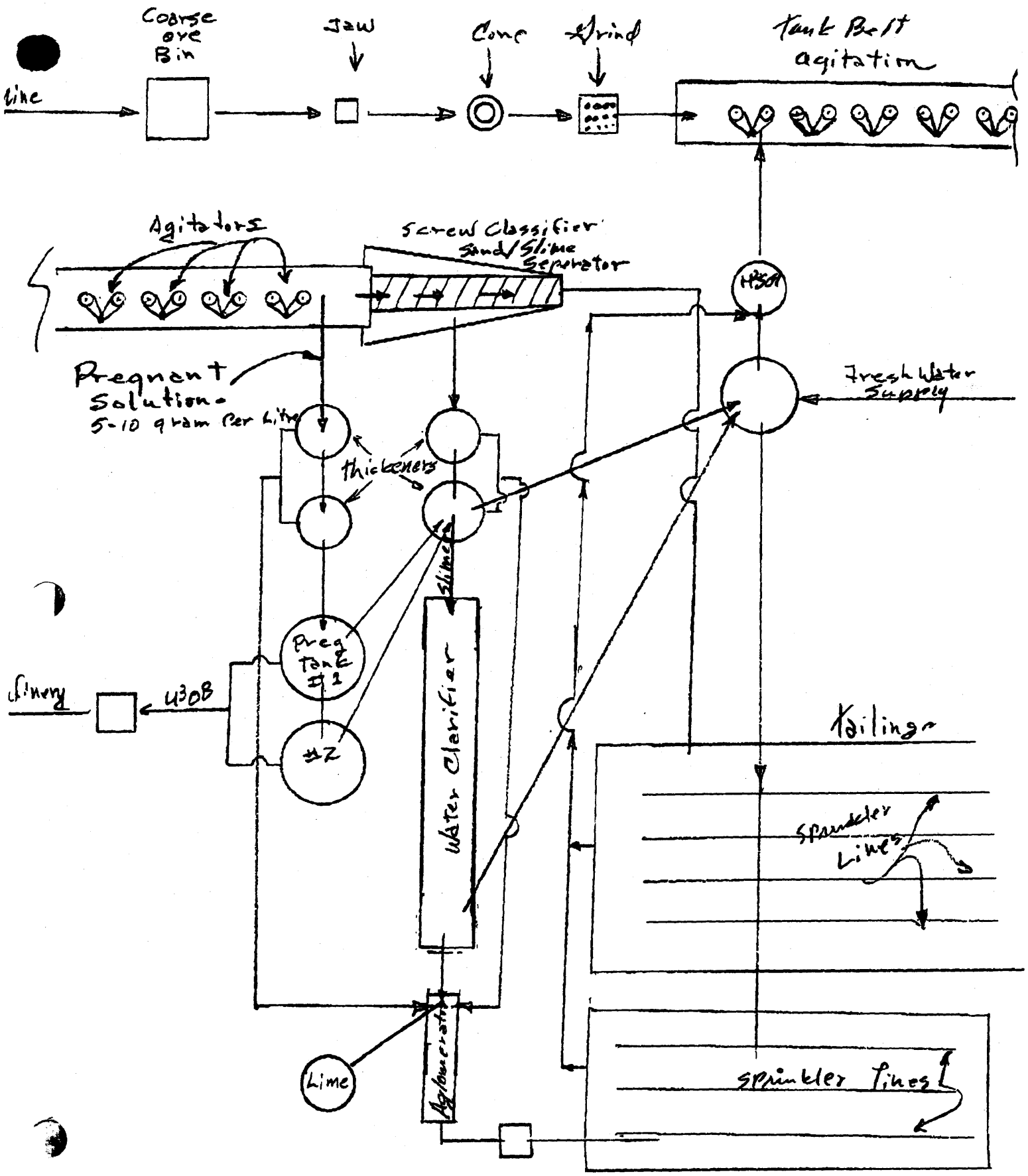
In a continuous mode of operation, using the tank belt system, the pulp is loaded and transported through the agitation section of the circuit, wholly in suspension, then discharged by the moving tank belt as the material is delivered, by the agitators, to the thickener section of the cycle. In a batch operational mode, the tank belt is loaded to its prescribed maximum, again with agitators active. After the required time frame exposure of the ore to the reducing agents has been achieved, the agitators are shut down and the moving belt turned on where the pulp is mechanically removed after all contained solids have been allowed to settle.

The process provides for the efficient removal of all solid materials from beneath the contained pregnant solution without repeated handling. In either event, whether in continuous or batch mode operation, the pregnant solution is then pumped from the tank belt into precipitation tanks where the solubolized metals are precipitated by chemical reaction. The barren solutions are drained off for recycling through the process while the precipitate muds are stored for shipment to offsite refinery facilities.

The entire process is simple, straightforward and efficient. The process requires a minimum of manpower to operate the facilities.

To equal the delivery of twenty five tons, or one tank truck load of high grade concentrate to a refining facility from the Yellow Cat Mine, with a value of Fifteen Thousand Two Hundred ($15,200.) Dollars per ton of concentrate, or Three Hundred Eighty Thousand ($380,000.) Dollars per truckload, would require the transport of approximately eight hundred fifty six (856) tons or roughly thirty five truck loads of raw ore to the mill. A Tank Belt Operation processing the Yellow Cat ore would yield one truck load of concentrate every ten days of operation at one hundred tons throughput per day. One truck load shipment of concentrate every ten days makes a lot more sense than four truck loads of raw ore every day.

The Notom ore would require the transport of five thousand six hundred and eighty (5,680) tons or approximately two hundred twenty seven truck loads of ore to the mill to equal one truck load of concentrate with a contained value of Fifteen Thousand Four Hundred Sixty ($15,460.) per ton of concentrate or Three Hundred Eighty Six Thousand ($386,000.) Dollars per Truck load. A Notom operation processing one hundred tons per day through a tank belt operation would yield one truck load of concentrate approximately every sixty days of operations. One truck load every two months opposed to four truck loads per day is the difference between healthy profits and absolute failure.


Coarse ore Bin
Jaw
Cone
Grind
Tank Belt agitation
Agitators
Screw Classifier Sand/Slime Separator
Pregnant Solution- 5-10 gram Per Litre
Fresh Water Supply
thickeners
Slimes
Preg Tank #1
#2
Water Clarifier
Refinery
Tailings
Sprinkler Lines
Lime
Agitation
Sprinkler Lines

General Corres.

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

ADDENDUM

DATE: January 4, 2006

TO: ~~Minerals Regulatory Program~~

THRU: Mary Ann Wright, Associate Director – Mining

FROM: Susan M. White – Mining Program Coordinator

SUBJECT: Recommendations for Reclamation Surety Cost Estimating for Exploration and Small Mining Operations

This is an addendum to the reclamation surety cost estimation memo dated October 3, 2003, that provides a basis for the escalation of the average surety cost estimates. **These amounts are used as a general guide and individual discretionary judgment and actual site conditions will be taken into consideration.**

The reclamation surety amounts of $5000 for the first acre and $3000 for each additional acre calculated on October 3, 2003 was an average cost to reclaim sites with similar attributes (i.e. no structures, leach pads, etc.). These costs will be escalated annually to allow for inflation.

The bond calculation for each small mine shown below reflects an escalation period of three years. Bond amounts assigned to each small mine will be reviewed every three years thereafter for adequacy and escalation purposes. The surety amounts recommended are considered average for mobilizing/demobilizing equipment that will be used to regrade, place topsoil, roughen and seed.

The following is a table of escalated costs to be used through the year of 2009:

Year	First Acre	Each additional acre
2006	$5250**	$3150**
2007	$5300**	$3200**
2008	$5350**	$3250**
2009	$5400**	$3300**

**These costs may vary due to escalation factor changes.

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Addendum
Surety Cost Estimating
Small Mine & Exploration
January 4, 2006

The Means Historical Cost Index provides the basis for the escalation factor. The factor is an average of the previous three years actual cost increases. The escalation factor that is being used for the year 2006 is 1.20%.

Exploration Notices

Because exploration permits are only valid for one year, the following bonding figures will be used for the year of 2006 season.

Year	First Acre	Each additional acre
2006	$5250	$3150

NOTE: *The 5-acre disturbed area threshold does not apply to an exploration notice because there is no size restriction by statute or rule for exploration projects.*

Project Size (Acres)	**Surety ($ Amount-2006$)**	**Comments**
1 or less acres	$5250 (includes $2000 mobilization charge)	Minimum surety required
Each additional acre	$3,150 per acre (No restriction on acreage)	Partial acreages are rounded up to next highest # (no maximum $ amount)

Small Mining Operation Notices

NOTE: *A 5-acre disturbed area threshold applies to all small mining notices. Mining operations that exceed 5 acres will have surety calculated as Large Mining Operations according to their approved mining and reclamation plan.*

Project Size (Acres)	**Surety ($ Amount-2009$)**	**Comments**
1 or less acres	$5400	Minimum amount required
Additional acres up to 5 acres	$3300/ acre (i.e. Maximum of 5 acres = $5400 +$13,200 = $18,600)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)

The new cost/acre costs are effective as of the signing of this addendum. These costs will be reviewed annually April 1 after the cost index is published.

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